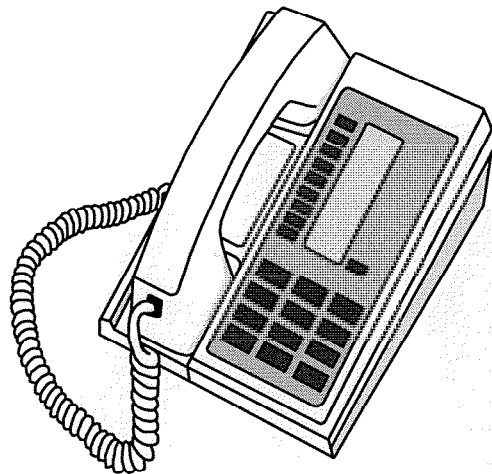


YEAR 2000

ANNUAL REPORT  
OF  
**CenturyTel Enterprises, Inc.**

TELEPHONE UTILITY



TO THE  
PUBLIC SERVICE COMMISSION  
STATE OF MONTANA  
1701 PROSPECT AVENUE  
P.O. BOX 202601  
HELENA, MT 59620-2601

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# Telephone Annual Report

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# Telephone Annual Report

## Instructions

### General

1. A Microsoft EXCEL 97 workbook of the annual report is being provided on computer disk for your convenience. The workbook contains the schedules of the annual report. Each schedule is on the worksheet named that schedule. For example, Schedule 1 is on the sheet titled "Schedule 1". By entering your company name in the cell named "Company" of the first worksheet, the spreadsheet will put your company name on all the worksheets in the workbook. The same is true for inputting the year of the report in the cell named "YEAR". You can "GOTO" the proper cell by using the F5 key and selecting the name of the cell.
2. The workbook contains input sections that are unprotected, and non-input sections that are protected. Cell protection can be disabled or enabled through "TOOLS - PROTECTION - UNPROTECT SHEET" on your toolbar. Formulas and checks are built into most of the templates.
3. Use of the disk is optional. The disk and the report cover shall be returned when the report is filed. There are macros built into the workbook to assist you with the report. An explanation of the macros is on the "Control" worksheet at the front of the workbook. The explanations start at cell A1.
4. All forms must be filled out in permanent ink and be legible. Note: Even if the computer disk is used, a printed version of the report shall be filed. The orientation and margins are set up on each individual worksheet and should print on one page. If you elect not to use the disk, please format your reports to fit on one 8.5" by 11" page with the left binding edge (top if landscaped) set at .85", the right edge (bottom if landscaped) set at .4", and the remaining two margins at .5". You may select specific schedules to print - See the worksheet "CONTROL".
5. Unless otherwise indicated, all information required in these schedules shall be from the accounts prescribed in 47 C.F.R. Part 32 and the definitions and instructions therein will apply to this report wherever applicable.
6. Information on financial schedules may be rounded to thousands of dollars for companies with over 5,000 access lines. Companies submitting schedules rounded to thousands should so indicate at the top of the schedule.
7. Where more space is needed or more than one schedule is needed additional schedules may be attached and should be included directly behind the original schedule to which it pertains and be labeled accordingly (for example, Schedule 1A).
8. The information required with respect to any statement shall be furnished as a minimum requirement to which shall be added such further information as is necessary to make the required schedules not misleading.

9. The following schedules should be filled out with information on a total company basis:

Schedules 1 - 4  
Schedule 10  
Schedules 13 - 17  
Schedule 19  
Schedule 20, Page 1 of 2  
Schedules 33 and 34

All other schedules should be filled out with Montana specific data. Financial schedules should include all amounts originating in Montana or allocated to Montana from other jurisdictions.

10. All companies owned by another company shall attach a corporate structure chart of the holding company.
11. The following schedules are not required to be filled out or submitted by companies with less than 5,000 access lines:
- Schedule 6  
Schedules 17 and 18  
Schedule 21
12. Schedules that have no activity during the year or are not applicable to the respondent should be marked as not applicable and submitted with the report.
13. Companies with under 5,000 lines may use summary accounts and should leave lines for subaccounts blank. Summary accounts are noted with an asterisk and subaccounts that are not required are noted with a caret.
14. Companies with over 5,000 lines must complete schedules to all required subaccount detail.
15. FCC Form M sheets may not be substituted in lieu of completing annual report schedules.
16. Common sense must be used when filling out all schedules.

### **Specific Instructions**

#### **Schedules 3 through 9**

1. **Schedules 3, 4, and 9** should include all notes to the financial statements required by the FCC or included in the financial statements issued as audited financial statements. These notes should be included in the report directly behind the schedules and should be labeled appropriately (Schedule 3A, etc.).
2. **Schedule 5** may be omitted for companies doing business only in Montana.
3. **Schedule 6** is not required for companies with under 5,000 lines.

4. **Schedule 7** must be completed by all companies. For companies under 5,000 lines, this schedule may be completed on a total state basis. Any such company completing the form on a total state basis shall indicate this fact clearly on the form.
5. **Schedule 8** - Companies with less than 5,000 lines are not required to fill out the intrastate portion. The regulated rate base must be separated from the deregulated rate base but this may be done on a total state basis. Any company so doing shall clearly indicate this on the form.
6. Only accounts designated on **Schedule 8** may be included in rate base. Only companies who have specifically been authorized in a Commission order to include cash working capital in rate base may fill out line 8 on Schedule 8. Cash working capital must be calculated using the methodology approved in the Commission order. The most recent Commission Order, and Docket, specifying cash working capital shall be noted on the schedule.
7. **Schedule 9** - Instructions to complete are similar to those used for the Statement of Cash Flows in the FCC Form M.

#### **Schedule 10**

1. For the purpose of this schedule, nonofficial companies shall include any company in which the respondent has an ownership interest which does not meet the definition of an affiliated company set out in 47 C.F.R. Section 32.9000. This schedule shall not include telecommunications accounts receivable from other customers.

#### **Schedule 11**

1. All amounts listed in Column f that represent individual items for which the higher of cost or market value was in excess of \$50,000 for companies with under 5,000 lines and in excess of \$100,000 for companies with over 5,000 lines must be fully explained in notes to this schedule. The explanation must include the plant description and location, the original cost, the net book cost, the market value, the value at which it was transferred or the price at which it was sold, and the party to which it was transferred or sold.

#### **Schedule 12**

1. Respondents shall list each item amounting individually to \$100,000 or more and report all others in the aggregate.
2. Amounts in Column f relating to individual items exceeding \$50,000 shall be fully explained.

#### **Schedule 15**

1. Line 1 must be completed by all companies for the most recent calendar year. The retention and price/earnings ratios shall be calculated on a year end basis. Enter the actual year end market price in the "Year Ended" row. If the computer disk is used, enter the year end market price in the "High" column.
2. Lines starting at 9 shall be completed for each of the twelve months of the report year for all companies with over 5,000 access lines. Earnings per share and dividends per share shall be reported on a quarterly basis and entries shall be made only to the months that end the respective quarters (for example, March, June, September, and December.)

**Schedule 19**

1. All companies are required to submit this form. Companies with more than one plan (for example, both a retirement plan and a deferred savings plan) shall complete a schedule for each plan.
2. Companies with defined benefit plans must complete the entire form using FASB 87 and 132 guidelines.
3. Interest rate percentages shall be listed to two decimal places.

**Schedule 20**

1. All changes to the employee benefit plans shall be explained in a narrative on lines 15 and 16. All cost containment measures implemented in the reporting year shall be explained and quantified in a narrative on lines 15 & 16. All assumptions used in quantifying cost containment results shall be disclosed.
2. The schedule shall be filled out using FASB 106 and 132 guidelines.

**Schedule 21**

1. Respondents shall disclose all payments made during the year where the aggregate payment to the recipient was \$25,000 or more. Payments must include fees, retainers, commissions, gifts, contributions, assessments, bonuses, subscriptions, allowances for expenses or any other form of payment for services or as a donation.

**Schedule 23**

1. Respondents shall provide an attached sheet detailing the type and corresponding number of access lines for all entries in Column L (Other).

**Schedule 24**

1. Column (b). For each wire center that has a configuration of "Remote", Column (b) shall also reflect the respective "Host".
2. Column (c). Examples of Types of Switches are: Digital, Step by Step, and Crossbar.

**Schedule 25**

1. This schedule must be completed by all companies for the year following the reporting year.

**Schedule 26**

1. Respondents shall either report construction technicians and splicers as separate categories or footnote the appropriate categories and indicate the number of (1) construction technicians; and (2) splicers.

### **Schedule 27**

1. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
2. The above compensation items shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule to which it pertains.
3. If respondent is claiming protected status of salary information both a proprietary and non-proprietary copy of this schedule shall be filed. On the non-proprietary copy respondent shall indicate which columns respondent maintains are proprietary. A note stating that such information is being provided separately shall be included on the schedule. In no case shall either Column (a) - Name/Position, or Column (g) - Percent Increase Total Compensation, be considered proprietary. Respondent shall provide all requested information on the proprietary copy.

### **Schedule 28**

1. Respondents shall provide all executive compensation information in conformance with that required by the Securities and Exchange Commission (SEC) (Regulation S-K Item 402, Executive Compensation).
2. Include in column (d) ALL additional forms of compensation, including, but not limited to: deferred compensation, deferred savings plan, profit sharing, supplemental or non-qualified retirement plan, employee stock ownership plan, restricted stock, stock options, stock appreciation rights, performance share awards, dividend equivalent shares, mortgage payments, use of company cars or car lease payments, tax preparation consulting, financial consulting, home security systems, company-paid physicals, subscriptions to periodicals, memberships, association or club dues, tuition reimbursement, employee discounts, and spouse travel.
3. All items included in Column (d) - Other Compensation shall be listed separately. Where more space is needed additional schedules may be attached and shall be included directly behind the original schedule.
4. In addition, respondents shall attach a copy of the executive compensation information provided to the SEC.

### **Schedule 29**

1. Information from this schedule is consolidated with information from other Utilities and reported to the National Association of Regulatory Utility Commissioners (NARUC). Your assistance in completing this schedule, even though information may be located in other areas of the annual report, expedites reporting to the NARUC and is appreciated.



**Schedules 33 and 34**

1. Respondents shall report all transactions with affiliated companies.
2. Column (c). Respondents shall indicate in column (c) the method used to determine the price. Respondents shall indicate if a contract is in place between the Affiliate and the Utility. If a contract is in place, respondents shall indicate the year the contract was initiated, the term of the contract and the method used to determine the contract price.
3. Column (c). If the method used to determine the price is different than the previous year, respondents shall provide an explanation, including the reason for the change.

**Schedule 35**

1. Respondents shall provide an attached sheet detailing the account and the amount for all entries made to Lines 9 and 16.
2. Only companies who have specifically been authorized in a Commission Order to include cash working capital in rate base may include cash working capital in lines 9 or 16. Cash working capital must be calculated using the methodology approved in the Commission Order. The Commission Order specifying cash working capital shall be noted on the attached sheet.
3. Respondents shall indicate, for each adjustment on lines 30 through 42, if the amount is updated or if it is from the last rate case. All adjustments shall be calculated using Commission methodology.

**Schedule 36**

1. Respondents shall list the amount of tax accrued or paid for the fiscal year attributable to Montana sources for each of the listed taxes

**Schedule 37**

1. Respondents shall list the amount of Universal Service Funds received from Montana and from the federal government.

**General Information**

Year: **2000**

1.	Legal Name of Respondent:	CenturyTel of Montana, Inc.
2.	Name Under Which Respondent Does Business:	CenturyTel of Montana, Inc.
3.	Date of Incorporation:	October 23, 1946
4.	Address to send Correspondence Concerning Report:	P.O. Box 4065 Monroe, Louisiana 71211
5.	Person Responsible for This Report:	John Jones, Vice President Government Relations
5a.	Telephone Number:	(318) 362-1583
<b>Control Over Respondent</b>		
1.	If direct control over the respondent was held by another entity at the end of year provide the following:	
	1a. Name and address of the controlling organization or person:	PacifiCorp Holdings, Inc. owned 100% of the voting securities of Pacific Telecom, Inc. until December 1, 1997 when these securities were sold to Century Telephone Enterprises, Inc.
	1b. Means by which control was held:	Ownership of voting securities
	1c. Percent Ownership:	99%

<b>Board of Directors</b>		
Line No.	Name of Director and Address (City, State) (a)	Fees Paid During Year (b)
1	Clarke M. Williams Chairman	None
2	Glen F. Post, III President and CEO	None
3	Harvey P. Perry Executive V.P./CAO	None
4	R. Stewart Ewing, Jr. Executive V.P./CFO	None
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**Officers**

Year: 2000

Line No.	Title of Officer (a)	Department Over Which Jurisdiction is Exercised (b)	Name and Address of Person Holding Office at Year End (c)
1	Pres. & Chief Executive Office	Company Wide	Glen F. Post, III
2	Exec. V.P. & Chief Oper. Officer	"	Karen A. Puckett
3	Executive Vice President	"	Harvey P. Perry
4	Executive Vice President	"	R. Stewart Ewing, Jr.
5	Senior Vice President	"	David D. Cole
6	Senior Vice President	"	Michael A. Maslowski
7	Vice President & Controller	"	Neil A. Sweasy
8	V.P., Treas., & Asst. Secretary	"	G. Clay Bailey
9	Vice President, Asst. General	"	
10	Counsel & Asst. Secretary	"	Stacey W. Goff
11	Vice President	"	Nick Bowman
12	Vice President	"	Marvin C. Cunningham, Jr.
13	Vice President	"	R. Wayne Davis
14	Vice President	"	Ivan Hughes
15	Vice President	"	Alan B. Alford
16	Vice President	"	Craig E. Davis
17	Vice President	"	Tim Grigar*
18	Secretary	"	Kay C. Buchart
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\*All Officers are based in Monroe, La. except Tim Grigar, who is based in Gig Harbor, Wa.

**Total Company Balance Sheet**

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>CURRENT ASSETS:</b>		
2	1120	Cash and Equivalents	10,830,522	5,651,834
3	1180	Telecommunications Accounts Receivable - Net	5,458,892	4,093,385
4	1190	Other Accounts Receivable - Net	948,908	3,997,163
5	1200	Notes Receivable - Net		
6	1210	Interest and Dividends Receivable		
7	1220	Materials and Supplies	43,763	47,088
8	* 1280	Prepayments	12,650	12,632
9	^ 1290	Prepaid Rents		
10	^ 1300	Prepaid Taxes		
11	^ 1310	Prepaid Insurance		
12	^ 1320	Prepaid Directory Expenses		
13	^ 1330	Other Prepayments	12,650	12,632
14	1350	Other Current Assets		
15		<b>Total Current Assets</b>	<b>17,294,735</b>	<b>13,802,102</b>
16		<b>NONCURRENT ASSETS:</b>		
17	1401	Investments in Affiliated Companies		
18	1402	Investments in Nonaffiliated Companies		
19	1406	Nonregulated Investments	1,079,148	710,475
20	1407	Unamortized Debt Issuance Expense		
21	1408	Sinking Funds		
22	1410	Other Noncurrent Assets		
23	1438	Deferred Maintenance and Retirements		
24	1439	Deferred Charges	24,724	
25	1500	Other Jurisdictional Assets - Net		
26		<b>Total Noncurrent Assets</b>	<b>1,103,872</b>	<b>710,475</b>
27		<b>PROPERTY, PLANT, &amp; EQUIPMENT:</b>		
28	2001	Telecommunications Plant in Service	126,806,370	115,664,651
29	2002	Property Held for Future Telecommunications Use		
30	2003	Plant Under Construction - Short Term	1,235,514	856,319
31	2004	Plant Under Construction - Long Term		
32	2005	Telecommunications Plant Adjustment		
33	2006	Nonoperating Plant	2,582	2,582
34	2007	Goodwill		
35	3100	Accumulated Depreciation	(66,736,793)	(59,718,019)
36	3200	Accumulated Depreciation - Held for Future Use		
37	3300	Accumulated Depreciation - Nonoperating		
38	3400	Accumulated Amortization		
39		<b>Net Property, Plant, &amp; Equipment</b>	<b>61,307,673</b>	<b>56,805,533</b>
40		<b>TOTAL ASSETS</b>	<b>79,706,280</b>	<b>71,318,110</b>

^ Subaccount of account marked with a \*.

## Total Company Balance Sheet

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
41		<b>CURRENT LIABILITIES:</b>		
42	4010	Accounts Payable	1,347,846	3,647,626
43	4020	Notes Payable		
44	4030	Advance Billing and Payments	650,351	624,566
45	4040	Customer Deposits	527	
46	4050	Current Maturities - Long Term Debt		
47	4060	Current Maturities - Capital Leases		
48	4070	Income Taxes - Accrued	1,392,190	537,106
49	4080	Other Taxes - Accrued	1,911,575	1,166,263
50	4100	Net Current Deferred Operating Income Taxes		
51	4110	Net Current Deferred Nonoperating Income Taxes		
52	4120	Other Accrued Liabilities	525,475	651,944
53	4130	Other Current Liabilities		
54		<b>Total Current Liabilities</b>	<b>5,827,964</b>	<b>6,627,505</b>
55		<b>LONG-TERM DEBT:</b>		
56	4210	Funded Debt		
57	4220	Premium on Long-Term Debt		
58	4230	Discount on Long-Term Debt		
59	4240	Reacquired Debt		
60	4250	Obligations Under Capital leases		
61	4260	Advances From Affiliated Companies		
62	4270	Other Long-Term Debt		
63		<b>Total Long-Term Debt</b>		
64		<b>OTHER LIABILITIES AND DEFERRED CREDITS:</b>		
65	4310	Other Long-Term Liabilities		
66	4320	Unamort. Oper. Invest. Tax Credits - Net		
67	4330	Unamort. Nonoper. Invest. Tax Credits - Net		
68	4340	Net Noncurrent Deferred Oper. Income Taxes	7,156,295	7,258,841
69	4350	Net Noncurrent Deferred Nonoper. Income Taxes		
70	4360	Other Deferred Credits	3,172,742	2,419,976
71	4370	Other Jurisdictional Liab. and Def. Credits		
72		<b>Total Other Liabilities and Deferred Credits</b>	<b>10,329,037</b>	<b>9,678,817</b>
73		<b>STOCKHOLDERS' EQUITY:</b>		
74	4510	Capital Stock	6,680,000	6,680,000
75	4520	Additional Paid-In Capital	141,016	141,016
76	4530	Treasury Stock	(130,500)	(130,500)
77	4540	Other Capital		
78	4550	Retained Earnings	56,858,763	48,321,272
79		<b>Total Stockholders' Equity</b>	<b>63,549,279</b>	<b>55,011,788</b>
80		<b>TOTAL LIAB. AND STOCKHOLDERS' EQUITY</b>	<b>79,706,280</b>	<b>71,318,110</b>

## Total Company Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	19,891,978	18,548,695
3	5080	Network Access Revenues 1)	15,707,746	18,006,847
4	* 5100	Long Distance Message Revenue	854,044	966,537
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	804,341	964,971
7	^ 5160	Other Long Distance Revenue	49,703	1,566
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue 3)	4,301,947	3,873,825
10	^ 5230	Directory Revenue	3,325,155	3,040,493
11	^ 5240	Rent Revenue	51,611	33,795
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	65,591	52,737
14	^ 5270	Carrier Billing and Collection Revenue	859,590	746,800
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	597,818	579,747
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>40,157,897</b>	<b>40,816,157</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	87,902	77,151
20	6120	General Support Expense	1,398,527	1,682,529
21	6210	Central Office Switching Expense	1,244,478	916,918
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	410,946	466,858
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	2,287,949	2,299,149
26	^ 6431	Aerial Wire Expense	4,132	(846)
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	173,125	57,279
29	6530	Network Operations Expense	2,472,476	2,056,495
30	6540	Access Expense	188,911	235,094
31	6560	Depreciation and Amortization Expense	7,831,886	7,564,552
32	6610	Marketing	998,771	1,040,495
33	6620	Services	2,936,262	2,859,489
34	6710	Executive and Planning	463,406	522,086
35	6720	General and Administrative	3,172,661	3,406,286
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>23,671,432</b>	<b>23,183,535</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	8,450,223	8,656,845
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>8,036,242</b>	<b>8,975,777</b>
41	7300	Nonoperating Income and Expense	493,179	126,250
42	7400	Nonoperating Taxes		
43	7500	Interest and Related Items	(55)	(22,553)
44	7600	Extraordinary Items		
45	7910	Effects of Juris. Ratemaking Diff. - Nct		
46	7990	Nonregulated Net Income	12,606	628,915
47		<b>NET INCOME (L.40+L.41-L.42-L.43-L.44+L.45-L.46)</b>	<b>8,541,972</b>	<b>9,708,389</b>

^ Subaccount of the account marked with a \*.

1) Includes Interstate prior period revenues of \$2,148,132 in 2000 and \$702,113 in 1999.

2) Includes Interstate prior period revenues of \$14,360 in 2000 and \$33,495 in 1999.

**Montana Total State Income Statement**

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	N/A	N/A
3	5080	Network Access Revenues		
4	* 5100	Long Distance Message Revenue		
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue		
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue		
10	^ 5230	Directory Revenue		
11	^ 5240	Rent Revenue		
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue		
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue		
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>		
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense		
20	6120	General Support Expense		
21	6210	Central Office Switching Expense		
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense		
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense		
26	^ 6431	Aerial Wire Expense		
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense		
29	6530	Network Operations Expense		
30	6540	Access Expense		
31	6560	Depreciation and Amortization Expense		
32	6610	Marketing		
33	6620	Services		
34	6710	Executive and Planning		
35	6720	General and Administrative		
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>		
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes		
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>		

^ Subaccount of the account marked with a \*.

## Montana Intrastate Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	19,891,978	18,548,695
3	5080	Network Access Revenues	4,153,813	7,812,520
4	* 5100	Long Distance Message Revenue	854,044	966,537
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue	804,341	964,971
7	^ 5160	Other Long Distance Revenue	49,703	1,566
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	3,524,455	3,184,680
10	^ 5230	Directory Revenue	3,086,812	2,874,989
11	^ 5240	Rent Revenue	37,497	24,365
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	22,644	27,243
14	^ 5270	Carrier Billing and Collection Revenue	377,502	258,083
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	597,817	579,747
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>27,826,473</b>	<b>29,932,685</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	63,863	58,565
20	6120	General Support Expense	1,016,061	1,210,140
21	6210	Central Office Switching Expense	897,887	655,475
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	296,497	316,228
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,670,957	1,668,338
26	^ 6431	Aerial Wire Expense	3,018	(614)
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	125,779	
29	6530	Network Operations Expense	1,796,308	1,524,002
30	6540	Access Expense	14,686	
31	6560	Depreciation and Amortization Expense	5,685,991	5,157,138
32	6610	Marketing	747,978	779,225
33	6620	Services	2,436,920	2,190,057
34	6710	Executive and Planning	352,139	384,504
35	6720	General and Administrative	2,375,284	2,487,171
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>17,483,368</b>	<b>16,430,229</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	6,103,237	6,595,090
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>4,239,868</b>	<b>6,907,366</b>

^ Subaccount of the account marked with a \*.



## Montana Intrastate Regulated Income Statement

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1		<b>REVENUES:</b>		
2	5000	Basic Local Service Revenues	18,983,055	17,737,940
3	5080	Network Access Revenues	4,061,490	7,809,323
4	* 5100	Long Distance Message Revenue	49,703	1,566
5	^ 5110	Unidirectional Long Distance Revenue		
6	^ 5120	Long Distance Private Network Revenue		
7	^ 5160	Other Long Distance Revenue	49,703	1,566
8	^ 5169	Other Long Distance Revenue Settlements		
9	* 5200	Miscellaneous Revenue	3,145,728	2,925,867
10	^ 5230	Directory Revenue	3,086,812	2,874,989
11	^ 5240	Rent Revenue	36,272	23,702
12	^ 5250	Corporate Operations Revenue		
13	^ 5260	Miscellaneous Revenue	22,644	27,176
14	^ 5270	Carrier Billing and Collection Revenue		
15	^ 5280	Nonregulated Revenue		
16	5300	Uncollectible Revenue	597,817	579,747
17		<b>Total Revenues (L.2+L.3+L.4+L.9-L.16)</b>	<b>25,642,159</b>	<b>27,894,949</b>
18		<b>OPERATING EXPENSES:</b>		
19	6110	Network Support Expense	61,473	56,393
20	6120	General Support Expense	978,039	1,165,245
21	6210	Central Office Switching Expense	867,697	635,009
22	6220	Operator Systems Expense		
23	6230	Central Office Transmission Expense	286,527	306,354
24	6310	Information Origination/Termination Expense		
25	* 6410	Cable and Wire Facilities Expense	1,611,562	1,606,955
26	^ 6431	Aerial Wire Expense	2,911	(591)
27	^ 6441	Conduit Systems Expense		
28	6510	Other Property, Plant & Equipment Expense	121,746	
29	6530	Network Operations Expense	1,729,088	1,467,464
30	6540	Access Expense	14,686	
31	6560	Depreciation and Amortization Expense	5,476,592	4,949,273
32	6610	Marketing	745,550	755,412
33	6620	Services	2,250,656	1,903,915
34	6710	Executive and Planning	342,449	360,196
35	6720	General and Administrative	2,263,134	2,310,097
36	6790	Provision for Uncollectible Notes Receivable		
37		<b>Total Operating Expenses (Sum L.19 to L.36-L.26-L.27)</b>	<b>16,752,110</b>	<b>15,515,722</b>
38	7100	Other Operating Income and Expense		
39	7200	Operating Taxes	5,883,163	6,114,380
40		<b>Net Operating Income (L.17-L.37+L.38-L.39)</b>	<b>3,006,886</b>	<b>6,264,847</b>

^ Subaccount of the account marked with a \*.

**Notes to Schedule 8**

(A) Revenues and expenses were allocated using FCC Part 36 separation rules. Allocation factors are based on prior years traffic measurements (ie allocations for 2000 are based on the 1999 traffic measurement) which are the most current factors available.

(B) Authorized by Montana Public Commission, Docket 6522, Order Number 4409.

Note: Rate Base Components are calculated using an average of beginning and end of year balances.

**Average Rate Base - Total State**

Year: 2000

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	121,235,510	111,770,384
2	3100	Accumulated Depreciation	(63,223,560)	(56,290,106)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	45,426	124,835
6	4340	Noncurrent Deferred Operating Income Taxes	(7,391,680)	(6,673,829)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	650,940	641,876
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>51,316,636</b>	<b>49,573,160</b>

**Average Rate Base - Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	88,080,265	80,590,105
2	3100	Accumulated Depreciation	(45,764,796)	(40,365,193)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	33,176	90,592
6	4340	Noncurrent Deferred Operating Income Taxes	(5,370,224)	(4,812,007)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	484,824	463,278
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>37,463,245</b>	<b>35,966,775</b>

**Average Rate Base - Regulated Intrastate**

Line No.	Acct. No. (a)	Description (b)	This Year (c)	Last Year (d)
1	2001	Telecommunications Plant in Service	84,781,793	77,515,678
2	3100	Accumulated Depreciation	(43,985,288)	(38,750,996)
3	2002	Property Held for Future Telecommunications Use		
4	3200	Accumulated Depreciation - 2002		
5	1220	Materials and Supplies	31,809	88,806
6	4340	Noncurrent Deferred Operating Income Taxes	(5,169,266)	(4,626,274)
7		Pre-1971 Unamortized Investment Tax Credits		
8		Cash Working Capital (if allowed by Commission)	463,377	434,238
9		<b>Total Average Rate Base (L.1-L.2+L.3-L.4+L.5-L.6-L.7+L.8)</b>	<b>36,122,425</b>	<b>34,661,452</b>

## Statement of Cash Flows

Year: 2000

Line No.	Item Description (a)	Amount (b)	Amount (c)
1	<b>Increase/(decrease) in Cash &amp; Cash Equivalents</b>		
2	<b>Cash Flows from Operating Activities:</b>		
3	Net Income		8,541,972
4	Reconciliation Adjustments:		
5	Depreciation & Amortization	7,831,886	
6	Provision for Accounts Receivable Losses		
7	Deferred Income Taxes - Net	(107,296)	
8	Unamortized Investment Tax Credits (ITCs) - Net		
9	Allowance for Funds Used During Construction (AFUDC)		
10	Change in Operating Receivables - Net	1,682,748	
11	Change in Materials, Supplies & Inventories - Net		
12	Change in Operating Payables & Accrued Liabilities - Net	(2,299,780)	
13	Change in Other Assets & Deferred Credits - Net		
14	Change in Other Liabilities & Deferred Credits - Net	2,257,755	
15	Other (explained on back of this page)	(21,417)	
16	Total Adjustments		9,343,896
17	<b>Net Cash Provided by/(Used in) Operating Activities</b>		17,885,868
18	<b>Cash Inflows/Outflows From Investing Activities:</b>		
19	Construction/Acquisition of Property, Plant & Equipment (net of	(12,539,249)	
20	AFUDC & Capital Lease Related Acquisitions)		
21	Proceeds from Disposals of Property, Plant & Equipment		
22	Investments In & Advances to Affiliates		
23	Proceeds from Repayment of Advances		
24	Other Investing Activities (explained on back of this page)	(163,450)	
25	<b>Net Cash Provided by/(Used in) Investing Activities</b>		(12,702,699)
26	<b>Cash Flows from Financing Activities:</b>		
27	Net Incr./(Decr.) in Short-Term Debt, Original maturity <= 3 mo.		
28	Advances from Affiliates		
29	Repayment of Advances from Affiliates		
30	Proceeds from Issuances of Long-Term Debt		
31	Repayment of Long-Term Debt		
32	Payment of Capital Lease Obligations		
33	Proceeds from Issuing Common Stock/Parent Co. Equity Investment		
34	Repurchase of Treasury Shares		
35	Dividends Paid	(4,481)	
36	Other Financing Activities (explained on back of this page)		
37	<b>Net Cash Provided by Financing Activities</b>		(4,481)
38	<b>Effect of Exchange Rate Changes on Cash</b>		
39	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		5,178,688
40	<b>Cash &amp; Cash Equivalents at Beginning of Period</b>		5,651,834
41	<b>Cash &amp; Cash Equivalents at End of Period</b>		10,830,522

Receivables and Investments-Affiliated & Nonaffiliated Companies

Year: 2000

Line No.	Name of Affiliate or Company (a)	Account 1160 Temporary Investments (b)	Account 1180 Telecom. Accounts Receivable (c)	Account 1181 Accts. Rec. Allowance (d)	Account 1190 Other Accounts Receivable (e)	Account 1191 Accounts Receivable Allow. - Other (f)	Account 1200 Notes Receivable (g)	Account 1201 Notes Receivable Allowance (h)	Account 1210 Interest and Dividends Receivable (i)	Account 1401 Investments in Affil. Companies (j)	Account 1402 Investments in Nonaffil. Companies (k)
1	AT&T				297,792						
2	NECA				160,738						
3											
4											
5											
6											
7											
8											
9											
10											
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23											
24											
25											
26											
27											
28											
29	Aggregate of all balances		5,551,924	(93,032)	490,378						
30	<b>Totals</b>		5,551,924	(93,032)	948,908						

Net Plant in Service - Detail

Year:2000

Line No.	Account (a)	Description (b)	Beginning of Year Balance (c)	Additions (d)	Retirements (e)	Sales & Transfers (f)	End of Year Account 2001 Balance (g)	Year End Accumulated Depreciation (h)	End of Year Net Plant Balance (i)
1	* 2110	Land and Support Assets	7,664,646	467,113	334,189		7,797,570	4,194,741	3,602,829
2	^ 2111	Land	467,745				467,745		467,745
3	^ 2112	Motor Vehicles	1,499,228	314,382	181,496	-4,173	1,627,941	814,404	813,537
4	^ 2113	Aircraft							
5	^ 2114	Special Purpose Vehicles							
6	^ 2115	Garage Work Equipment							
7	^ 2116	Other Work Equipment	758,493	58,093	32,029		784,557	688,093	96,464
8	^ 2121	Buildings	3,269,196				3,269,196	1,709,713	1,559,483
9	^ 2122	Furniture	231,790		7,207		224,583	134,369	90,214
10	^ 2123	Office Equipment	322,742	12,610	28,213		307,139	750,651	-443,512
11	^ 2124	General Purpose Computers	1,115,452	82,028	85,244	4,173	1,116,409	97,511	1,018,898
12		2211 Analog Electronic Switching						-74,050	74,050
13		2212 Digital Electronic Switching	25,592,458	2,775,168			28,367,626	19,221,168	9,146,458
14		2215 Electro-Mechanical Switching	173,685				173,685	-569,341	743,026
15		2220 Operator Systems						22,246	-22,246
16		2231 Radio Systems	191,982				191,982	196,259	-4,277
17		2232 Circuit Equipment	20,616,596	3,645,855			24,262,451	15,771,561	8,490,890
18	* 2310	Information Orig & Term Equip							
19	^ 2311	Station Apparatus							
20	^ 2321	Customer Premises Wiring							
21	^ 2341	Large Private Branch Exchanges							
22	^ 2351	Public Telephone Term. Equip.							
23	^ 2362	Other Terminal Equipment							
24		2411 Poles	1,477,739	6,708	22,457		1,461,990	1,539,894	-77,904
25	* 2420	Cable and Wire Facilities	58,425,547	4,992,989	418,576		62,999,960	25,687,426	37,312,534
26	^ 2421	Aerial Cable	9,709,861	319,370	84,546		9,944,685	7,748,300	2,196,385
27	^ 2422	Underground Cable	1,193,858	183,361			1,377,219	471,868	905,351
28	^ 2423	Buried Cable	47,482,791	4,490,258	334,030		51,639,019	17,425,907	34,213,112
29	^ 2424	Submarine Cable	5,857				5,857	2,307	3,550
30	^ 2425	Deep Sea Cable							
31	^ 2426	Intrabuilding Network Cable	33,180				33,180	39,044	-5,864
32		2431 Aerial Wire	511,463		4,766		506,697	408,168	98,529
33		2441 Conduit Systems	1,005,052	33,875			1,038,927	337,259	701,668
34		<b>Totals</b>	115,659,168	11,921,708	779,988		126,800,888	66,735,331	60,065,557
	2682	Leasehold Improvements	5482				5,482	1462	4,020
		<b>Totals with Leasehold Improve</b>	115,664,650	11,921,708	779,988		126,806,370	66,736,793	60,069,577

^ Subaccount of the account marked with a \*.

Analysis of Plant Held for Future Use

Year: 2000

Line No.	Location and Description of Property (a)	Date Included in Account 2002 (b)	Book Cost of Property at Beginning of Year (c)	Additions During the Year (d)	Retirements During the Year (e)	Transfers and Adjustments Charges and (Credits) (f)	Book Cost of Property at End of Year (g)
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
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21							
22							
23							
24							
25							
26							
27							
28							
29							
30	<b>Totals (Sum L.1 to L.29)</b>						

Average Cost of Long Term Debt

Year: 2000

Line No.	Description (a)	Issue Date (b)	Maturity Date (c)	Principal Amount (d)	Gross Proceeds (e)	Net Proceeds (f)	Net Per \$100 (g)	Outstanding Per Balance Sheet (h)	Yield to Maturity (i)	Annual Net Cost (j)	Amortization of Premium or Discount (k)	Total Cost (%) (l)
1	N/A											
2												
3												
4												
5												
6												
7												
8												
9												
10												
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24												
25												
26												
27												
28												
29												
30	<b>Total</b>											



Year: 2000

Cost of Preferred Stock

Line No.	Description (a)	Date of Issuance (b)	Method of Offering (c)	Call Redemption Price (d)	Par Value Of Issue (e)	Gross Proceeds Amounts (f)	Net Proceeds Amounts (g)	Net Proceeds Per \$100 (h)	Cost of Money (i)	Principal Outstanding (j)	Annual Cost (k)	Embedded Cost (l)
1	Preferred stock 5% cumulative	12/50	Private	None	\$100	(A)	(A)	(A)	(A)	50,000	1,125	0
2	authorized and outstanding, 500											
3	shares of \$100 par value											
4	(includes 275 held in treasury)											
5												
6	Serial preferred, 10% cumulative	12/71	Private	None	100	(A)	(A)	(A)	(A)	180,000	6,000	0
7	authorized 100,000 shares of											
8	\$100 par value; 1,800 shares issued											
9	(includes 1,200 shares held in treasury)											
10												
11												
12												
13												
14												
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25												
26												
27												
28												
29												
30	<b>Totals (Sum L.1 to L.29)</b>									230,000	7,125	

(A) No preferred stock transactions took place during 2000.

Analysis of Common Stock

Year:2000

Line No.	(a)	Avg. Number of Shares Outstanding (b)	Book Value (per share) (c)	Earnings (per share) (d)	Dividends (per share) (e)	Retention Ratio (f)	Market Price		Price/Earnings Ratio (i)
							High (g)	Low (h)	
1	Year Ended December 31:	96,000		88.98		(A)	(A)		(A)
2									
3									
4									
5									
6									
7									
8	Month by Month Data:								
9	January		582.62						
10	February		587.46						
11	March		596.84	23.81					
12	April		603.57						
13	May		608.44						
14	June		617.25	20.44					
15	July		618.88						
16	August		626.92						
17	September		638.01	20.76					
18	October		643.80						
19	November		648.19						
20	December		661.97	23.97					
21									
22									
23									

(A) Not Applicable, common stock not publicly traded.

**Capital Stock and Funded Debt Reacquired or Retired During the Year**

**Year:2000**

Line No.	Description of Security (a)	Call or Retirement Date (b)	Number of Shares (c)	Principal Amount (d)	Reacquisition or Retirement Cost (e)	Gain or (Loss) (f)	Retirement or Reacquisition (g)
1	N/A						
2							
3							
4							
5							
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27							
28							
29							
30	<b>Totals (Sum L.1 to L.29)</b>						

**Total Company Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	* 6110	Network Support Expense	15,355	4,275	94	68,178		87,902
2	^ 6112	Motor Vehicle Expense						
3	^ 6113	Aircraft Expense	15,355	4,275	94	68,178		87,902
4	^ 6114	Special Purpose Vehicles Expense						
5	^ 6115	Garage Work Equipment Expense						
6	^ 6116	Other Work Equipment Expense						
7	* 6120	General Support Expense	206,342	55,208	227,282	909,695		1,398,527
8	^ 6121	Land and Building Expense			75,793	274,910		350,703
9	^ 6122	Furniture and Artworks Expense						
10	^ 6123	Office Equipment Expense				810		810
11	^ 6124	General Purpose Computers Expense	206,342	55,208	151,489	633,975		1,047,014
12	* 6210	Central Office Switching Expense	662,552	171,684	506	409,736		1,244,478
13	^ 6211	Analog Electronic Expense				211		211
14	^ 6212	Digital Electronic Expense	662,552	171,684	506	392,001		1,226,743
15	^ 6215	Electro-Mechanical Expense				17,524		17,524
16	6220	Operator Systems Expense						
17	* 6230	Central Office Transmission Expense	207,824	49,432	27	153,663		410,946
18	^ 6231	Radio Systems Expense	763	170		870		1,803
19	^ 6232	Circuit Equipment Expense	207,061	49,262	27	152,793		409,143
20	* 6310	Information Origination/Termination Expense						
21	^ 6311	Station Apparatus Expense						
22	^ 6341	Large Private Branch Exchange Expense						
23	^ 6351	Public Telephone Terminal Equipment Exp.						
24	^ 6362	Other Terminal Equipment Expense						
25	* 6410	Cable and Wire Facilities Expense	1,215,830	282,525	243,475	550,251		2,292,081
26	^ 6411	Poles Expense	3,942	885	243,417	13,298		261,542
27	^ 6421	Aerial Cable Expense	338,175	78,898	11	242,710		659,794
28	^ 6422	Underground Cable Expense	3,830	1,229		1,159		6,218
29	^ 6423	Buried Cable Expense	869,883	201,513	47	288,952		1,360,395
30	^ 6424	Submarine Cable Expense						
31	^ 6425	Deep Sea Cable Expense						
32	^ 6426	Intrabuilding Network Cable Expense						
33	^ 6431	Aerial Wire Expense				4,132		4,132
34		<b>Subtotals</b>	<b>2,307,903</b>	<b>563,124</b>	<b>471,384</b>	<b>2,091,523</b>		<b>5,433,934</b>

^ Subaccount of the account marked with a \*.

**Total Company Expense Matrix**

**Year:2000**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense						
36	6510	Other Property Expenses	374	105		172,646		173,125
37	* 6530	Network Operations Expense	1,418,262	341,058	3,481	709,675		2,472,476
38	^ 6531	Power Expense				151,549		151,549
39	^ 6532	Network Administration Expense	27,499	6,594	160	17,435		51,688
40	^ 6533	Testing Expense	149,986	37,757	(13)	6,630		194,360
41	^ 6534	Plant Operations Expense	863,128	200,042	(14,437)	50,846		1,099,579
42	^ 6535	Engineering Expense	377,649	96,665	17,771	483,215		975,300
43	6540	Access Expense				188,911		188,911
44	6561	Depreciation - Telecomm. Plant in Service				7,774,887		7,774,887
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other				56,999		56,999
49	* 6610	Marketing	486,990	117,822	672	393,287		998,771
50	^ 6611	Product Management	37,769	8,731	86	43,627		90,213
51	^ 6612	Sales	431,516	104,290	418	209,604		745,828
52	^ 6613	Product Advertising	17,705	4,801	168	140,056		162,730
53	6621	Call Completion Services				31,326		31,326
54	6622	Number Services				41,374		41,374
55	6623	Customer Services	1,379,857	401,349	9,830	1,072,526		2,863,562
56	6711	Executive	178,116	86,113	175	199,002		463,406
57	6712	Planning						
58	6721	Accounting and Finance	516,601	103,593	940	623,216		1,244,350
59	6722	External Relations	94,597	23,005	241	142,954		260,797
60	6723	Human Relations	121,510	29,581	80	105,630		256,801
61	6724	Information Management	130,762	28,471	314	195,014		354,561
62	6725	Legal	80,157	24,679	150	119,811		224,797
63	6726	Procurement	21,955	6,450	84	17,167		45,656
64	6727	Research and Development						
65	6728	Other General and Administrative	44,338	13,323	293,733	434,305		785,699
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>	<b>6,781,422</b>	<b>1,738,673</b>	<b>781,084</b>	<b>14,370,253</b>		<b>23,671,432</b>

^ Subaccount of the account marked with a \*.

Total State Expense Matrix

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
1	*	Network Support Expense	NOT APPLICABLE					
2	^	Motor Vehicle Expense						
3	^	Aircraft Expense						
4	^	Special Purpose Vehicles Expense						
5	^	Garage Work Equipment Expense						
6	^	Other Work Equipment Expense						
7	*	General Support Expense						
8	^	Land and Building Expense						
9	^	Furniture and Artworks Expense						
10	^	Office Equipment Expense						
11	^	General Purpose Computers Expense						
12	*	Central Office Switching Expense						
13	^	Analog Electronic Expense						
14	^	Digital Electronic Expense						
15	^	Electro-Mechanical Expense						
16	^	Operator Systems Expense						
17	*	Central Office Transmission Expense						
18	^	Radio Systems Expense						
19	^	Circuit Equipment Expense						
20	*	Information Origination/Termination Expense						
21	^	Station Apparatus Expense						
22	^	Large Private Branch Exchange Expense						
23	^	Public Telephone Terminal Equipment Exp.						
24	^	Other Terminal Equipment Expense						
25	*	Cable and Wire Facilities Expense						
26	^	Poles Expense						
27	^	Aerial Cable Expense						
28	^	Underground Cable Expense						
29	^	Buried Cable Expense						
30	^	Submarine Cable Expense						
31	^	Deep Sea Cable Expense						
32	^	Intrabuilding Network Cable Expense						
33	^	Aerial Wire Expense						
34		<b>Subtotals</b>						

^ Subaccount of the account marked with a \*

**Total State Expense Matrix**

Line No.	Acct. No. (a)	Description (b)	Salaries and Wages (c)	Benefits (d)	Rents (e)	Other Expenses (f)	Clearances (g)	Total (h)
35	^ 6441	Conduit Systems Expense						
36	6510	Other Property Expenses						
37	* 6530	Network Operations Expense						
38	^ 6531	Power Expense						
39	^ 6532	Network Administration Expense						
40	^ 6533	Testing Expense						
41	^ 6534	Plant Operations Expense						
42	^ 6535	Engineering Expense						
43	6540	Access Expense						
44	6561	Depreciation - Telecomm. Plant in Service						
45	6562	Depreciation-Prop. for Future Telecom. Use						
46	6563	Amortization Expense - Tangible						
47	6564	Amortization Expense - Intangible						
48	6565	Amortization - Other						
49	* 6610	Marketing						
50	^ 6611	Product Management						
51	^ 6612	Sales						
52	^ 6613	Product Advertising						
53	6621	Call Completion Services						
54	6622	Number Services						
55	6623	Customer Services						
56	6711	Executive						
57	6712	Planning						
58	6721	Accounting and Finance						
59	6722	External Relations						
60	6723	Human Relations						
61	6724	Information Management						
62	6725	Legal						
63	6726	Procurement						
64	6727	Research and Development						
65	6728	Other General and Administrative						
66	6790	Provision for Uncollectible Notes Receivable						
67		<b>Totals</b>						

^ Subaccount of the account marked with a \*.

**Pension Costs**

Year: 2000

1	Plan Name			
2	Defined Benefit Plan? _____ X _____		Defined Contribution Plan? _____	
3	Actuarial Cost Method? _____		IRS Code: _____	
4	Annual Contribution by Employer: _____		Is the Plan Over Funded? _____	
5				
	<b>Item</b>	<b>Current Year</b>	<b>Last Year</b>	<b>% Change</b>
6	<b>Change in Benefit Obligation</b>	See Note (A) Below		
7	Benefit obligation at beginning of year			
8	Service cost			
9	Interest Cost			
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain			
13	Acquisition			
14	Benefits paid			
15	Benefit obligation at end of year			
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year			
18	Actual return on plan assets			
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid			
23	Fair value of plan assets at end of year			
24	<b>Funded Status</b>			
25	Unrecognized net actuarial loss			
26	Unrecognized prior service cost			
27	Prepaid (accrued) benefit cost			
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate			
31	Expected return on plan assets			
32	Rate of compensation increase			
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost			
36	Interest cost			
37	Expected return on plan assets			
38	Amortization of prior service cost			
39	Recognized net actuarial loss			
40	Net periodic benefit cost			
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs	(229,391)	(176,289)	23.15%
44	Pension Costs Capitalized	(9,176)	(6,852)	25.33%
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan	151	146	-3.31%
48	Not Covered by the Plan			
49	Active	151	146	-3.31%
50	Retired	72	55	-23.61%
51	Deferred Vested Terminated			

(A) This information is not available on an individual basis. Information regarding the pension plan is summarized in the attached copy of Footnote 15 of CenturyTel, Inc's 1999 annual report.



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## Notes to Consolidated Financial Statements

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### 15. Retirement and Savings Plans

CenturyTel and certain subsidiaries sponsor defined benefit pension plans for substantially all employees. CenturyTel also sponsors an Outside Directors' Retirement Plan and a Supplemental Executive Retirement Plan to provide directors and officers, respectively, with supplemental retirement, death and disability benefits.

The following is a reconciliation of the beginning and ending balances for the benefit obligation and the plan assets for the retirement and savings plans.

## Notes to Consolidated Financial Statements

December 31,	2000	1999	1998
	<i>(Dollars in thousands)</i>		
<b>Change in benefit obligation</b>			
Benefit obligation at beginning of year	\$ 205,455	217,747	200,554
Service cost	5,928	5,226	5,361
Interest cost	15,381	13,817	13,225
Plan amendments	3,387	-	227
Acquisition	35,824	-	-
Actuarial (gain) loss	(3,726)	(19,844)	8,683
Benefits paid	(12,414)	(11,491)	(10,303)
<b>Benefit obligation at end of year</b>	<b>\$ 249,835</b>	<b>205,455</b>	<b>217,747</b>
<b>Change in plan assets (primarily listed stocks and bonds)</b>			
Fair value of plan assets at beginning of year	\$ 319,901	278,678	237,618
Return on plan assets	(14,991)	52,183	50,720
Employer contributions	572	531	643
Acquisition	36,391	-	-
Benefits paid	(12,414)	(11,491)	(10,303)
<b>Fair value of plan assets at end of year</b>	<b>\$ 329,459</b>	<b>319,901</b>	<b>278,678</b>

Net periodic pension benefit for 2000, 1999 and 1998 included the following components:

Year ended December 31,	2000	1999	1998
	<i>(Dollars in thousands)</i>		
Service cost	\$ 5,928	5,226	5,361
Interest cost	15,381	13,817	13,225
Expected return on plan assets	(31,586)	(26,824)	(22,925)
Recognized net gains	(7,107)	(3,176)	(2,688)
Net amortization and deferral	(602)	(235)	(300)
<b>Net periodic pension benefit</b>	<b>\$ (17,986)</b>	<b>(11,192)</b>	<b>(7,327)</b>

The following table sets forth the combined plans' funded status and amounts recognized in the Company's consolidated balance sheet at December 31, 2000, 1999 and 1998.

December 31,	2000	1999	1998
	<i>(Dollars in thousands)</i>		
Benefit obligation	\$ (249,835)	(205,455)	(217,747)
Fair value of plan assets	329,459	319,901	278,678
Unrecognized transition asset	(1,648)	(1,892)	(2,136)
Unamortized prior service cost	4,126	1,031	1,053
Unrecognized net actuarial gain	(49,336)	(100,052)	(57,981)
<b>Prepaid benefit cost</b>	<b>\$ 32,766</b>	<b>13,533</b>	<b>1,867</b>

Assumptions used in accounting for the pension plans as of December 2000 and 1999 were:

	2000	1999
Discount rates	7.25%	7.25
Expected long-term rate of return on assets	8.0-10.0%	8.0-10.0

CenturyTel sponsors an Employee Stock Bonus Plan ("ESBP") and an Employee Stock Ownership Plan ("ESOP"). These plans cover most employees with one year of service with the Company and are funded by Company contributions determined annually by the Board of Directors.

The Company contributed \$6.0 million, \$5.2 million and \$3.7 million to the ESBP during 2000, 1999 and 1998, respectively. The Company's expense related to the ESOP during 2000, 1999 and 1998 was \$3.5 million, \$4.4 million, and \$4.4 million, respectively. At December 31, 2000, the ESBP and the ESOP owned an aggregate of 8.6 million shares of CenturyTel common stock.

CenturyTel and certain subsidiaries also sponsor qualified profit sharing plans pursuant to Section 401(k) of the Internal Revenue Code (the "401(k) Plans") which are available to substantially all employees of the Company. The Company's matching contributions to the 401(k) Plans were \$6.1 million in 2000, \$6.1 million in 1999 and \$8.5 million in 1998.

**Other Post Employment Benefits (OPEBS)**

	Item	Current Year	Last Year	% Change
1	<b>Regulatory Treatment:</b>			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	<b>Weighted-average Assumptions as of Year End</b>	See Note (A) Below		
7	Discount rate			
8	Expected return on plan assets			
9	Medical Cost Inflation Rate			
10	Actuarial Cost Method			
11	Rate of compensation increase			
12	<b>List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13	<b>VEBA - Tax Advantaged</b>			<b>OTHER TRUSTS - Not Tax Advantaged</b>
14	<b>401 (h) - Tax Advantaged</b>			
15	<b>Describe any Changes to the Benefit Plan:</b>			
16				
17	<b>TOTAL COMPANY</b>			
18	<b>Change in Benefit Obligation</b>			
19	Benefit obligation at beginning of year			
20	Service cost			
21	Interest Cost			
22	Plan participants' contributions			
23	Amendments			
24	Actuarial Gain			
25	Acquisition			
26	Benefits paid			
27	Benefit obligation at end of year			
28	<b>Change in Plan Assets</b>			
29	Fair value of plan assets at beginning of year			
30	Actual return on plan assets			
31	Acquisition			
32	Employer contribution			
33	Plan participants' contributions			
34	Benefits paid			
35	Fair value of plan assets at end of year			
36	<b>Funded Status</b>			
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost			
40	<b>Components of Net Periodic Benefit Costs</b>			
41	Service cost			
42	Interest cost			
43	Expected return on plan assets			
44	Amortization of prior service cost			
45	Recognized net actuarial loss			
46	Net periodic benefit cost	614,491	645,893	5.11%
47	<b>Accumulated Post Retirement Benefit Obligation</b>			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL			

(A) The actuary provides information on a total plan basis only. Information regarding to OPEB plan is included in the attached copy of Footnote 6 of the CenturyTel, Inc. annual report.

**Other Post Employment Benefits (OPEBS) Continued**

Year: 2000

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan	151	146	-3.31%
3	Not Covered by the Plan			
4	Active	151	146	-3.31%
5	Retired	72	55	-23.61%
6	Spouses/Dependants covered by the Plan	11	39	254.55%
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	<b>Change in Plan Assets</b>			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	<b>Funded Status</b>			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Cccosts</b>			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	<b>Accumulated Post Retirement Benefit Obligation</b>			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

6. Postretirement Benefits

The Company sponsors health care plans that provide postretirement benefits to all qualified retired employees.

The following is a reconciliation for the benefit obligation and the plan assets.

December 31,	2000	1999	1998
	<i>(Dollars in thousands)</i>		
Change in benefit obligation			
Benefit obligation at beginning of year	\$ 156,724	172,323	152,632
Service cost	4,727	4,850	5,519
Interest cost	10,907	10,089	10,744
Plan amendments	-	(2,492)	-
Participant contributions	677	419	298
Actuarial (gain) loss	957	(23,855)	9,720
Benefits paid	(8,726)	(4,610)	(6,590)
<b>Benefit obligation at end of year</b>	<b>\$ 165,266</b>	<b>156,724</b>	<b>172,323</b>
Change in plan assets (primarily listed stocks and bonds)			
Fair value of plan assets at beginning of year	\$ 41,781	35,799	34,618
Return on assets	(270)	2,961	4,080
Employer contributions	6,411	7,212	3,393
Participant contributions	677	419	298
Benefits paid	(8,726)	(4,610)	(6,590)
<b>Fair value of plan assets at end of year</b>	<b>\$ 39,873</b>	<b>41,781</b>	<b>35,799</b>

Net periodic postretirement benefit cost for 2000, 1999 and 1998 included the following components:

Year ended December 31,	2000	1999	1998
	<i>(Dollars in thousands)</i>		
Service cost	\$ 4,727	4,850	5,519
Interest cost	10,907	10,089	10,744
Expected return on plan assets	(4,178)	(3,580)	(3,250)
Amortization of unrecognized actuarial (gains) losses	26	54	430
Amortization of unrecognized prior service cost	(129)	(129)	121
<b>Net periodic postretirement benefit cost</b>	<b>\$ 11,353</b>	<b>11,284</b>	<b>13,564</b>

## Notes to Consolidated Financial Statements

The following table sets forth the amounts recognized as liabilities for postretirement benefits at December 31, 2000, 1999 and 1998.

December 31,	2000	1999	1998
	<i>(Dollars in thousands)</i>		
Benefit obligation	\$ (165,266)	(156,724)	(172,323)
Fair value of plan assets	39,873	41,781	35,799
Unamortized prior service cost	(1,175)	(1,303)	1,060
Unrecognized net actuarial loss	6,109	707	23,972
Accrued benefit cost	\$ (120,459)	(115,539)	(111,492)

Assumptions used in accounting for postretirement benefits as of December 31, 2000 and 1999 were:

	2000	1999
Weighted average assumptions		
Discount rate	7.25%	7.25
Expected return on plan assets	10.0%	10.0

For measurement purposes, a 6.8% annual rate in the per capita cost of covered health care benefits was assumed for 2001 and beyond. A one-percentage-point change in assumed health care cost rates would have the following effects:

	1-Percentage Point Increase	1-Percentage Point Decrease
	<i>(Dollars in thousands)</i>	
Effect on total of service and interest cost components	\$ 989	(964)
Effect on postretirement benefit obligation	\$ 9,028	(8,334)

**Payments for Services to Persons Other Than Employees**

Year: 2000

Line No.	Name of Recipient (a)	Nature of Service (b)	Total Company Cost (c)	Total State Cost (d)	Intrastate Cost (e)
1	Flathead Janitorial	Janitorial Services	79,698	79,698	57,902
2					
3	Johnson Controls, Inc	Maintenance	120,508	120,508	87,551
4					
5	Midwest Telemark International	Various Campaigns	62,210	62,210	46,589
6					
7	One Call Locators	Contract Labor	104,475	104,475	76,301
8					
9	SignalTel Communications	Contract Labor	211,737	211,737	154,638
10					
11	3-D Communications	Contract Labor	97,782	97,782	71,413
12					
13	Robert Ross Building Contractor	Contract Labor	111,443	111,443	80,966
14					
15	Alamon Telco	Contract Labor	57,308	57,308	41,854
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27	Notes:				
28					
29					
30	(A) Revenues and expenses were allocated using FCC Part 36 separation rules. Allocation				
31	factors are based on prior years traffic measurements (ie allocations for 2000 are based				
32	on the 1999 traffic measurements) which are the most current factors available.				
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49	<b>Total</b>		845,161	845,161	617,214

**Subscriber Line Usage Data**

Year: 2000

Line No.	Description (a)	This Year (b)	% of Total (c)	Last Year (d)	% of Total (e)
1	<b>Toll Usage:</b>				
2	Interstate, InterLATA	232,162,285	74.79%	207,745,835	66.56%
3	Interstate, IntraLATA	399	0.00%	942	0.00%
4	<b>Total Interstate Usage</b>	232,162,684	74.79%	207,746,777	66.56%
5	Intrastate, InterLATA	32,221,187	10.38%	40,439,363	12.96%
6	Intrastate, IntraLATA	46,045,325	14.83%	63,940,699	20.49%
7	<b>Total Intrastate Usage</b>	78,266,512	25.21%	104,380,062	33.44%
8	<b>Total Toll Usage</b>	310,429,196	100.00%	312,126,839	100.00%
9	Centrex				
10	Local				
11	<b>Total Minutes</b>	310,429,196	100.00%	312,126,839	100.00%



**Central Office and Access Line Statistics**

Year: 2000

Line No.	Wire Center (a)	Type of Office (b)	Residential (c)	ISDN (d)	ADSL (e)	Lifeline Customers (f)	Residential LMS Customers (g)	Single Line Business (h)	Multi-Line Business (i)	Customer Owned Coin (j)	Company Owned Coin (k)	Other (l)	% of Lines w/ T. Tone (m)	Total Access Lines (n)
1	Kalispell	Digital	19252	75	503	621	2	4553		135	72	8581	100.0%	32668
2	Whitefish	Digital	6509	10	98	119		1137		51	30	1822	100.0%	9559
3	Columbia Falls	Digital	4473	5	57	111		649		19	16	927	100.0%	6089
4	Polson	Digital	4133	2	32	125		799		26	16	1053	100.0%	6029
5	Bigfork	Digital	3656	8	104	30	1	631		22	7	426	100.0%	4750
6	Elmo	Digital	844	2	3	15		54		2	3	23	100.0%	928
7	Finley Point	Digital	599		5	3		24		10	1	3	100.0%	637
8	Hungry Horse	Digital	1102	2	15	43		142		12	3	67	100.0%	1328
9	Lakeside	Digital	1300		28	8	1	142		8	5	118	100.0%	1573
10	Marion	Digital	335		4	4		32		2	2	8	100.0%	379
11	McGregor Lake	Digital	124			2		20			1	8	100.0%	153
12	Olney	Digital	126		2	1		21		1	1	126	100.0%	275
13	Somers	Digital	880		23	9		78			2	47	100.0%	1007
14	Swan Lake	Digital	203		1	1		13		1	1		100.0%	218
15	Yellow Bay	Digital	351	1	7	1		13			2	6	100.0%	373
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33	<b>Total</b>		43887	105	882	1093	4	8308		289	162	13215		65966

NOTE: Additional blank schedules are being provided for your convenience.

**Central Office and Switch Information**

Line No.	Wire Center (a)	Office Configuration (Host, Remote, Stand alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
1	SEE ATTACHED PAGES 28a AND 28b						
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NOTE: Additional blank schedules are being provided for your convenience.

## SCHEDULE 24

YEAR - 2000

Company Name: CenturyTel of Montana, Inc. dba CenturyTel

Wire Center (a)	Office Configuration (Host, Remote Stand-Alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
2801- Kalispell / DMA-100	Host	Digital	NTI	DMS-100	41772	1981
Airport Road / OPM	Remote	Digital	NTI	OPM	640	1996
Birch Grove / RLCM	Remote	Digital	NTI	RLCM	640	1994
Buffalo Hills / RSC	Remote	Digital	NTI	RSC	2560	1985
Creston / RSC	Remote	Digital	NTI	RSC	1280	1996
Edgerton / RLCM	Remote	Digital	NTI	RLCM	1280	1987
Evergreen / RSCS	Remote	Digital	NTI	RSCS	4512	1994
Foothill Rd / OPM	Remote	Digital	NTI	OPM	576	1991
Foys Lake / OPM	Remote	Digital	NTI	OPM	640	1990
FVCC / OPM	Remote	Digital	NTI	OPM	576	1990
Haywire Gulch / OPM	Remote	Digital	NTI	OPM	256	1996
Helena Flats / OPM	Remote	Digital	NTI	OPM	640	1992
Holt Stage / RLCM	Remote	Digital	NTI	RLCM	640	1987
Kila / OPM	Remote	Digital	NTI	OPM	640	1993
Lake Blaine / RLCM	Remote	Digital	NTI	RLCM	640	1994
Lost Creek / OPM	Remote	Digital	NTI	OPM	256	1993
Middle Road / OPM	Remote	Digital	NTI	OPM	256	1992
93 North / RSC	Remote	Digital	NTI	RSC	1280	1995
93 South / RSC	Remote	Digital	NTI	RSC	1280	1995
Pleasant Hills/ OPAC	Remote	Digital	NTI	OPAC	640	1997
Shady Lane / OPM	Remote	Digital	NTI	OPM	640	1995
Smith Valley / OPM	Remote	Digital	NTI	OPM	640	1988
Tetrault / OPM	Remote	Digital	NTI	OM	576	1991
Truman Creek / OPAC	Remote	Digital	NTI	OPAC	256	1997
Two-Mile Dr / RSC	Remote	Digital	NTI	RSC	2560	1985
West Valley / OPM	Remote	Digital	NTI	OPM	640	1990
Winterhawk / OPM	Remote	Digital	NTI	OPM	256	1993
2802- Whitefish / DRSCS	Remote	Digital	NTI	DRSCS	13120	1989
Big Mountain / OPM	Remote	Digital	NTI	OPM	576	1990
Eagle Creek / OPM	Remote	Digital	NTI	OPM	640	1994
Edgewood / OPM	Remote	Digital	NTI	OPM	256	1994
Emerald Heights / OPM	Remote	Digital	NTI	OPM	640	1990
Happy Valley / OPM	Remote	Digital	NTI	OPM	640	1989
Lion Mountain / OPM	Remote	Digital	NTI	OPM	640	1994
Ptarmigan Village / RCLM	Remote	Digital	NTI	RLCM	640	1994
Tamarack Creek / OPM	Remote	Digital	NTI	OPM	256	1993
Twin Bridges / OPM	Remote	Digital	NTI	OPM	576	1992
Whitefish North / OPM	Remote	Digital	NTI	OPM	640	1989
Wisconsin Avenue / OPM	Remote	Digital	NTI	OPM	576	1994
2803- Columbia Falls / DRSC	Remote	Digital	NTI	DRSC	8320	1987
Elf Park / OPM	Remote	Digital	NTI	OPM	640	1992
Half Moon / OPM	Remote	Digital	NTI	OPM	640	1993
Hilltop / OPM	Remote	Digital	NTI	OPM	640	1995
Witty Lane / OPM	Remote	Digital	NTI	OPM	640	1994
2804- Polson / DRSCS	Remote	Digital	NTI	DRSCS	8448	1993

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Company Name: CenturyTel of Montana, Inc. dba CenturyTel

Wire Center (a)	Office Configuration (Host, Remote Stand-Alone) (b)	Type of Switch (c)	Switch Vendor/ Manufacturer (d)	Switch Model No. (e)	Switch Line Capacity (f)	Year Deployed (g)
Bay View / OPM	Remote	Digital	NTI	OPM	640	1994
Jette Lake / OPAC	Remote	Digital	NTI	OPAC	640	1995
Minesinger / OPM	Remote	Digital	NTI	OPM	640	1989
Rocky Point / OPM	Remote	Digital	NTI	OPM	640	1993
Turtle Lake / OPM	Remote	Digital	NTI	OPM	640	1994
Woodbine / OPM	Remote	Digital	NTI	OPM	640	1995
2805- Bigfork / DRSC	Remote	Digital	NTI	DRSC	7680	1985
Eagle Bend / OPM	Remote	Digital	NTI	OPM	640	1994
Eastman Dr / OPAC	Remote	Digital	NTI	OPAC	640	1997
Echo Lake / OPM	Remote	Digital	NTI	OPM	640	1989
Ferndale / RLCM	Remote	Digital	NTI	RLCM	1280	1991
Streeter's Corner/OPM	Remote	Digital	NTI	OPM	640	1996
Swan River / RLCM	Remote	Digital	NTI	RLCM	640	1995
Woods Bay / RSC	Remote	Digital	NTI	RSC	1312	1996
2806- Elmo / RLCM	Remote	Digital	NTI	RLCM	1856	1990
Big Arm / OPM	Remote	Digital	NTI	OPM	576	1991
Dayton / OPM	Remote	Digital	NTI	OPM	576	1992
2807- Finley Point / RLCM	Remote	Digital	NTI	RLCM	1216	1990
FNPT Peninsula/OPM	Remote	Digital	NTI	OPM	576	1992
2808- Hungry Horse / RSC	Remote	Digital	NTI	RSC	2560	1989
Blankenship/RLCM	Remote	Digital	NTI	RLCM	640	1995
Coram / OPM	Remote	Digital	NTI	OPM	640	1994
2809- Lakeside / RSC	Remote	Digital	NTI	RSC	2752	1990
Angel Point / OPM	Remote	Digital	NTI	OPM	640	1994
Shelter Bay / OPM	Remote	Digital	NTI	OPM	576	1992
2810- Marion / LSC-2000	DLC	Digital	DSC	LSC-2000	896	1999
2811- McGregor Lk / RLCM	DLC	Digital	NTI	RLCM	640	1995
2813- Olney / LSC-2000	DLC	Digital	DSC	LSC-2000	672	1999
2814- Somers / RSC	Remote	Digital	NTI	RSC	1856	1995
Mission View / OPM	Remote	Digital	NTI	OPM	576	1991
2815- Swan Lake / LSC-2000	DLC	Digital	NTI	LSC-2000	672	1999
2816- Yellow Bay / RLCM	Remote	Digital	NTI	RLCM	640	1989

**Construction Budget - Montana**

Year: 2000

Line No.	Description (a)	2001 (b)
1	<b>Central Office Assets:</b>	
2	Kalispell DMS-100 Extension	991,775
3		
4		
5		
6		
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24		
25		
26		
27	Total Switching and Central Office Projects over \$500,000	991,775
28	Miscellaneous Central Office Projects not over \$500,000	170,606
29	<b>Total Central Office Budget (Total of Line 27 &amp; Line 28)</b>	<b>1,162,381</b>
30	<b>Other Projects over \$500,000:</b>	
31	Whitefish - Big Mountain Fiber	735,934
32	Kalispell - To MsLa BTC Ring Upgrade	699,998
33	Kalispell - AOSL	952,647
34	Whitefish - Big Mountain RSCS/FOTS	540,950
35		
36		
37		
38		
39		
40		
41	Total Other Projects over \$500,000	2,929,529
42	Miscellaneous projects not over \$500,000	5,150,360
43	<b>Total Construction Budget (Total of Lines 29, 41 &amp; 42)</b>	<b>9,242,270</b>

Montana Employee Counts

Year: 2000

Line No.	Category (a)	Beginning of Year (b)	End of Year (c)
1	Vice President and Managers	10	10
2	Supervisors & Superintendants	13	11
3	CO Technicians	13	12
4	I&R Technicians	19	21
5	Cable Splicers	6	6
6	Engineers/Drafting	12	12
7	Facility - Line & Test Board Technicians	5	5
8	Special Apparatus Technicians	9	10
9	Frame Tech & Line Assigns	5	4
10	Commercial & General	44	49
11	Secretaries	5	5
12	Supply Technicians	2	2
13	Pay Station Collectors	1	1
14	Communication Consultants	1	1
15	LAN Administrator	1	1
16			
17			
18			
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42			
43	<b>Totals (Sum of Lines 1 through 42)</b>	146	150

**Compensation of Top 10 Montana Based Employees**

Year: 2000

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	In order to protect the privacy interests of the company's employees, this schedule has historically been submitted as confidential and subject to protective order. The company is submitting the information on Schedule 27 under separate cover subject to the protective order currently in place.						
2							
3							
4							
5							
6							
7							
8							
9							
10							
11	<b>Totals (Sum L.1 to L.10)</b>						

**Compensation of Top 5 Corporate Employees - SEC Information**

Line No.	Name/Title (a)	Base Salary (b)	Bonuses (c)	Other Compensation (d)	Total Compensation (e)	Total Compensation Last Year (f)	% Increase Total Compensation (g)
1	N/A						
2	Note: CenturyTel of Montana, Inc. does not submit SEC information. See Schedule 27, Compensation of Top 10 Montana Based Employees.						
3							
4							
5							
6	<b>Totals (Sum L.1 to L.5)</b>						



## Montana Composite Statistics

Year: 2000

Line No.	Account No.	Description (a)	Amount (b)
1		<b>Plant (Intrastate Only) (000 Omitted)</b>	
2	2001	Plant in Service	88,080
3	2003 - 2004	Construction Work in Progress	760
4	2005	Plant Acquisition Adjustments	
5	2002	Plant Held for Future Use	
6	1220	Materials & Supplies	33
7		(Less):	
8	3100 - 3400	Depreciation & Amortization Reserves	(45,765)
9	4360.2	Contributions in Aid of Construction	
10		<b>NET BOOK COSTS</b>	43,108
11		<b>Revenues &amp; Expenses (Intrastate Only) (000 Omitted)</b>	
12	5000 - 5300	Operating Revenues	27,826
13	6560	Depreciation & Amortization Expenses	5,686
14		Federal & State Income Taxes	3,925
15		Other Taxes	2,178
16		Other Operating Expenses	11,797
17		TOTAL Operating Expenses	23,586
18		Net Operating Income	4,240
19		Other Income	
20		Other Deductions	
21		<b>NET INCOME</b>	4,240
22		<b>Access Lines in Service (Intrastate Only)</b>	
23		Residential Access Lines	43,887
24		Business Access Lines	8,308
25		PBX Access Lines	3,855
26		Other Access Lines	9,916
27		<b>Total Number of Access Lines</b>	65,966
28		<b>Average Number of Calls Per Access Line</b>	
29		Local Calls	Not available
30		Toll Calls (Intra- or Interstate)	Not available
31		<b>Total Number of Calls Per Access Line (Total of Line 29 &amp; Line 30)</b>	Not available
32		<b>Other Statistics (Intrastate Only)</b>	
33		Average Residential Monthly Bill	Not available
34		Gross Plant Investment per Access Line	1.347

**Depreciation - Montana Intrastate Regulated**

Year: 2000

Line No.	Acct No. (a)	Description (b)	Composite Rate % (c)	Total Expense \$ (d)
1	2112	Motor Vehicles	10.10%	153,712
2	2114	Special Purpose Vehicles	N/A	
3	2115	Garage Work Equipment	N/A	
4	2116	Other work Equipment	10.10%	70,151
5	2121	Buildings	3.04%	99,385
6	2122	Furniture	4.55%	9,535
7	2123.1	Office Support Equipment	4.55%	3,526
8	2123.2	Company Communications Equipment		
9	2124	General Purpose Computers	4.55%	48,226
10	2211	Analog Electronic Switching Equipment	N/A	
11	2212	Digital Electronic Switching Equipment	9.39%	2,457,394
12	2215	Step By Step Switching Equipment	9.39%	16,309
13	2215	Crossbar Switching Equipment	N/A	
14	2220	Operator System	N/A	
15	2231	Radio Systems	9.39%	8,383
16	2232	Circuit DDS	N/A	
17	2232	Circuit Digital	9.39%	1,845,745
18	2232	Circuit Analog	9.39%	
19	2351	Public Telephone Terminating Equipment	N/A	
20	2362	Other Terminal Equipment	N/A	
21	2411	Poles	11.29%	55,011
22	2421	Aerial Cable Metallic	1.80%	740,156
23	2421	Aerial Cable Nonmetallic	9.32%	88,547
24	2422	Underground Cable Metallic	3.41%	37,352
25	2422	Underground Cable Nonmetallic	3.41%	4,220
26	2423	Buried Cable Metallic	1.80%	1,854,306
27	2423	Buried Cable Nonmetallic	4.43%	217,297
28	2424	Submarine Cable Metallic	3.30%	193
29	2424	Submarine Cable Nonmetallic	N/A	
30	2426	Intrabuilding Network Cable Metallic	9.32%	
31	2426	Intrabuilding Network Cable Nonmetallic	N/A	
32	2431	Aerial Wire	9.09%	46,402
33	2441	Conduit Systems	2.37%	23,987
34				
35		<b>COMPOSITE TOTAL</b>	6.51%	<b>7,779,837</b>
36	Have these rates been approved by the Commission? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO			
37				
38				
39	If yes: <u>83.9.88</u> Docket Number <u>5052</u> Order Number			
40				

**Montana Regulatory Capital Structure & Costs**

Year: 2000

Line No.	Description (a)	% Cap. Str. (b)	% Cost Rate (c)	Weighted Cost (d)
<b>Commission Accepted - Most Recent</b>				
1	Docket Number <u>92.7.32</u>			
2	Order Number <u>5638C</u>			
3				
4	Common Equity			
5	Preferred Stock			
6	Long Term Debt			
7	Other			
8	<b>Total</b>			
<b>Actual at Year End</b>				
10				
11				
12	Common Equity 63,449,779	99.84%	13.700%	13.68%
13	Preferred Stock 99,500	0.16%	8.910%	0.01%
14	Long Term Debt			
15	Other			
16	<b>Total</b> 63,549,279	100.00%		13.69%

**Network Access - Charges and Revenues**

Year: 2000

Line No.	Description (a)	Access Charges Paid (b)	Access Revenues Received (c)
1	Montana - Total State		15,707,746
2			
3	Montana - Intrastate		4,153,813
4			
5	Montana - Intrastate Regulated		4,061,490
6			
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11			
12			
13			

**Affiliate Transactions - Products & Services Provided to Utility**

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Utility (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	CenturyTel, Inc.	Management, Accounting, Operating and Miscellaneous Services.	See note (a) below.	317,407		317,407
2						
3						
4						
5	CenturyTel Service Group, Inc.	"	"	6,304,251	(Regulated)	6,304,251
6				103,967	(Nonregulated)	103,967
7						
8	CenturyTel of the Northwest, Inc.	"	"	146,508	(Regulated)	146,508
9				4,626	(Nonregulated)	4,626
10						
11	CenturyTel of Northwest La, Inc.	"	"	189		189
12						
13						
14	CenturyTel of Idaho, Inc.	"	"	2,299		2,299
15						
16						
17	CenturyTel of Wyoming, Inc.	"	"	9,446	(Regulated)	9,446
18					(Nonregulated)	
19						
20	CenturyTel of Ohio, Inc.	"	"	1,489		1,489
21						
22	CenturyTel of Washington, Inc.	"	"	23,267		23,267
23						
24	CenturyTel of Oregon, Inc.	"	"	117		117
25						
26	CenturyTel of Gem State, Inc.	"	"	139		139
27						
28	CenturyTel Supply Inc.	Warehouse	"	10,860,603	(Regulated)	10,860,603
29				66,216	(Nonregulated)	66,216
30	<b>TOTAL</b>			<b>\$17,840,524</b>		<b>\$17,840,524</b>

(A) All services rendered to the regulated entities are billed at cost.

**Affiliate Transactions - Products & Services Provided by Utility**

Year: 2000

Line No.	Affiliate Name (a)	Products & Services (b)	Method to Determine Price (c)	Charges to Affiliate (d)	% Total Affil. Revenues (e)	Charges to MT Utility (f)
1	CenturyTel Supply Inc.	Warehouse	"	193,308	N/A	193,308
2						
3	CenturyTel of Idaho, Inc.	Management, Accounting, Operating and Miscellaneous Services.	"	295,579	(Regulated)	295,579
4				5,287	(Nonregulated)	5,287
5						
6	CenturyTel of Gem StateNV	"	"	36,061	(Regulated)	36,061
7				885	(Nonregulated)	885
8						
9	CenturyTel of Gem StateID	"	"	127,575	(Regulated)	127,575
10				1,800	(Nonregulated)	1,800
11						
12	CenturyTel of Wyoming, Inc.	"	"	348,021	(Regulated)	348,021
13				17,415	(Nonregulated)	17,415
14						
15						
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22						
23						
24						
25						
26						
27						
28						
29						
30	<b>TOTAL</b>			\$1,025,931		\$1,025,931

**Montana Intrastate Regulated Earned Rate of Return**

Year: 2000

Line No.	Description Rate Base (a)	This Year (b)	Last Year (c)	Percent Change (d)
1				
2	2001 Plant in Service	84,781,793	77,515,678	9.37%
3	2002 Prop. Held for Future Telecommunications Use			
4	3100-3200 (Less) Accumulated Depreciation	(43,985,288)	(38,750,996)	-13.51%
5	<b>Plant in Service</b>	<b>40,796,505</b>	<b>38,764,682</b>	<b>5.24%</b>
6				
7	<b>Additions</b>			
8	1220 Materials & Supplies	31,809	88,806	-64.18%
9	1280 Prepayments			
10	Other Additions	463,377	434,238	6.71%
11	<b>TOTAL Additions</b>	<b>495,186</b>	<b>523,044</b>	<b>-5.33%</b>
12				
13	<b>Deductions</b>			
14	4100 Current Deferred Operating Income Taxes		78,789	-100.00%
15	4320 Unamortized Operating Investment Tax Credits			
16	4340 Noncurrent Deferred Operating Income Taxes	(5,169,266)	(4,626,274)	-11.74%
17	Customer Advances for Construction			
18	Other Deductions			
19	<b>TOTAL Deductions</b>	<b>(5,169,266)</b>	<b>(4,547,485)</b>	<b>-13.67%</b>
20	<b>TOTAL Rate Base</b>	<b>36,122,425</b>	<b>34,740,241</b>	<b>3.98%</b>
21				
22	<b>Net Earnings</b>	<b>3,006,886</b>	<b>6,264,847</b>	<b>-52.00%</b>
23				
24	<b>Rate of Return on Average Rate Base</b>	<b>8.324%</b>	<b>18.030%</b>	<b>-53.83%</b>
25				
26	<b>Rate of Return on Average Equity</b>	<b>13.700%</b>	<b>18.050%</b>	<b>-24.10%</b>
27				
28	Major Normalizing Adjustments & Commission			
29	Ratemaking adjustments to Utility Operations			
30				
31	None			
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43	<b>Adjusted Rate of Return on Average Rate Base</b>			
44				
45	<b>Adjusted Rate of Return on Average Equity</b>			

**Other Taxes Paid**

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
1	Montana Telephone Company License Tax	246,132	260,021
2	Montana Public Service Commission Tax	31,410	34,048
3	Montana Consumer Counsel Tax	9,708	10,895
4	911 Emergency Telephone Fee	323,538	355,774
5	Montana Telecommunications Access Service (TDD)	64,401	73,852
6	Montana Corporate License Tax	1,000,000	500,000
7	Personal Property Tax		
8	Real Property Tax	3,331,787	2,612,010
9			
10			
11			
12	<b>Total</b>	5,006,976	3,846,600

Company Name: CenturyTel of Montana, Inc.

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**Universal Service Funds Received**

Year: 2000

Line No.	Description (a)	Last Year (b)	This Year (c)
13	Funds received from Montana Sources	N/A	N/A
14	Funds received from Federal Sources	638,178	767,259
15			
16			
17			
18			
19			
20			
21			
22			
23			
24	<b>Total</b>	638,178	767,259